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March 13, 2012

Testimony on HB-5487 - AN ACT CONCERNING THE RECOMMENDATIONS OF THE SMALL BUSINESS HEALTHCARE WORKING GROUP AND CLAIMS INFORMATION REQUIRED TO BE PROVIDED BY INSURERS

Good afternoon Honorable Elected Officials, thank you for the opportunity to address you with regards to this bill encompassing health care reforms to greater address the needs of the citizens of our great State. I am an Insurance Consultant and Producer specializing in the Small Group and Individual Health Insurance markets for over 10 years. My comments today will focus on the proposed legislation and items for consideration.

The reason for making these points is to help expedite real change in the Small Group market that will benefit businesses sooner rather than later. Many of the items included in the Legislation are a requirement under the Affordable Care Act; however, this bill will allow early implementation of key changes that will immediately impact Sole Proprietors, Small Business owners and their employees.

In reading the Bill, many of the Reforms are scheduled for a July 1, 2013 implementation date or 6 months before being required under ACA. I strongly encourage you to have some of the changes take effect either this July 1<sup>st</sup> or January 1<sup>st</sup>. They are too important. For example;

- Community Rating
- Merge Groups of 1-2 and 3-9 contracts with the 10-50 contract market, eliminating the 25% load.
  - o This means Guaranteed Issue down to Groups of 1, eliminating the CSEHRP plan.
  - o Personal example; ~\$520/monthly EE Only/Group 1, ~\$390/Group 10-50/~\$650 CSEHRP.

With regards to "pooling" or offering a Partnership Plan to Non-Profits and Small Businesses; please be extremely cautious as to how it would operate under Health Care Reform. For example; technically speaking, in order for Small Business employees, primarily for those businesses with under 30 employees, in order to receive a Federal Subsidy to lower the Health Plan Premium; they "must" purchase their health plan through the Health Insurance Exchange. Therefore, please investigate how the programs would coordinate. Also, please consider that employer groups with under 50 employees do not receive claims data making it difficult for the Comptroller's office to consider integrating them. Most likely, it would make sense to have the Partnership Plan be an option on the Health Insurance Exchange beginning January 1, 2014.

Finally, please consider adding mandatory coverage for Maternity (natural childbirth) within Individual Health Plans in CT for July 1, 2012. Currently, only one HMO plan with a \$10,000 Deductible covers maternity in the Individual market. It is required under the ACA, but not until Jan 1, 2014, meaning taxpayers are currently covering approximately half of all childbirths in CT through Medicaid.

Thank you for your time! I am more than happy to answer any questions you may have at this time.

Sincerely,

Antonio Paulo Pinto